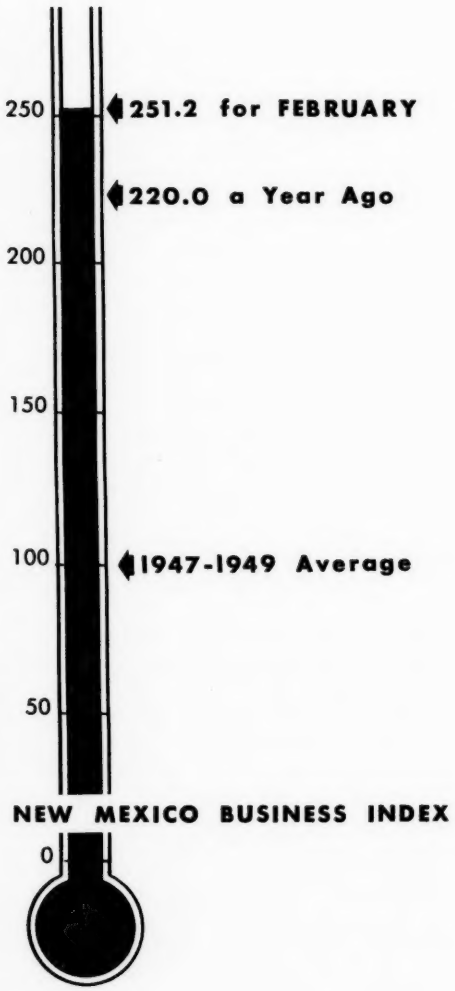
APRIL 1958

New Mexico BUSINESS



New Mexico business continued to rise in February. At 251.2, the index of business activity was 20.6 points above the 1947-56 trend line. This large differential brought the index to a level somewhat above that which could be expected a year hence and indicated the vigor of business activity in the State.

The large gain in over-all activity was made despite spotty performance of retail stores, continued slack in metal markets, and rising unemployment.

On a year-to-year basis, employment continued to gain at about its usual postwar rate. All major industry groups except mining participated in this gain. Unusually large increases were seen in construction, finance, and manufacturing.

Although mine production of metallics was down considerably from last year, copper and lead production showed signs of recovery from the low points reached in recent months. Petroleum production, because of tight allowables, declined to a level below a year earlier. Reduced oil allowables also adversely affected the production of natural gas. With most potash mines on a shortened work week, potash production failed to gain over last year.

(Continued on Page 11)

Beginning a New Measure of the N.M. Economy: Three Series on Unemployment in the State

Measuring Unemployment in New Mexico

By

Ralph L. Edgel

With this issue of NEW MEXICO BUSINESS the Bureau begins publication of another measure of the state's economic health--figures on unemployment, consisting of three separate series: the number of insured unemployed persons, the rate of unemployment, and the index of unemployment. The publication of these series marks the realization of one more of the Bureau's long-run aims.

That the culmination of this project should occur at a time when unemployment is a national issue of considerable consequence is no mere accident. Observing the course of several national business indexes (particularly that of industrial production) and anticipating that before many months growing unemployment would focus attention on this aspect of our economy, the Bureau began in August 1957 to survey means of arriving at a satisfactory measure of unemployment in this state. Except for delays caused by reduction of staff concurrently with an increase in the work load, the publication of the series would have been initiated in November.

IMPORTANCE OF MEASURING UNEMPLOYMENT

In a very real sense, unemployment is the principal economic bogie man of our modern society. The recurrent depressions to which our economy has been subject since the Industrial Revolution and the pre-eminence of wages as a source of income have as their chief common feature the unemployment of large segments of our population. It is this feature of depressions (or recessions) which makes itself most felt in slowing business activity and, particularly, in human misery. Our over-riding concern with the economy is that it furnish employment (and income) to all who want it. This concern is apparent in the popular title given to the principal piece of national legislation aimed at "doing something" about industrial fluctuations--The Employment Act of 1946.

Our concern with this aspect of economic fluctuations is well justified. No greater waste of resources occurs than the failure to utilize fully the possibilities of human resources. Our inability to eliminate involuntary unemployment remains the weakest link in the armor of American capitalism, not only because of the resulting waste of our most important resource, but also because of the most effective opening it gives our idealogical opponents for undermining our way of life.

Serious as this problem is, we have not arrived at a solution; and it is not the purpose of this article to propose one. One of the steps necessary to arriving at such a solution, however, is to know more about the nature of the problem. In the belief that we can't understand a thing thoroughly until we can measure it, the Bureau of Business Research has devoted considerable effort to devising a reliable measure of unemployment in New Mexico.

TECHNIQUE OF MEASURING UNEMPLOYMENT

Attempts to measure the volume and changes in the volume of unemployment encounter several difficulties. One difficulty is that of defining unemployment as a measurable phenomenon. Although this is not the place to review the problems associated with definition, the most widely used practical definition characterizes a person as unemployed when he is looking for work. Despite the fact that this is not an ideal criterion, it has the practical advantage of easy application.

But even though we might have a suitable definition, the problem of finding and counting the unemployed remains. Unemployment is one of the negative aspects of economic activity--aspects not ordinarily measured. We measure production and sales. These are positive matters which measure what has been accomplished. But we don't often bother with what has been unproduced or unsold, primarily because these undone

things do not measure what has been accomplished and usually do not constitute problems. Moreover, when production falls, we are inclined to measure our "failure" by the amount of the drop, so that the amount left undone is measured by the decrease. But this technique does not give us the right answer if we utilize it in measuring unemployment, because the volume of unemployment does not necessarily move in a direction opposite to that of the volume of employment. Both can rise and fall, though rarely, at the same time. Therefore, we can't measure the volume of or changes in unemployment by what happens to employment. We must have a direct measure of unemployment itself.

Direct measures of unemployment are difficult to obtain. One way to determine the number of unemployed is to count them as the Bureau of the Census does every ten years. But such a count is expensive and is, therefore, normally made only at ten-year intervals. When the information is available so infrequently, it is of little help to those who want to know what is currently happening to the economy.

Another way is to estimate the number on the basis of sampling a portion of the population. The Bureau of the Census also samples and issues estimates of unemployment. This method is not so expensive as complete enumeration. Neither is it so reliable. Because the incidence of unemployment varies greatly from time to time and place to place, we do not know how to design a sample within cost limitations which would be uniformly representative of conditions throughout the nation. That is why so much controversy rages about Census estimates. Another objection to the Census estimates, from our point of view, is that they can deal only in terms of national aggregates, whereas we are interested in what is happening in New Mexico.

Since the inauguration of unemployment insurance, state agencies administering the laws have been making direct counts of unemployed people; but these are only partial counts, enumerating only those unemployed who have established rights to compensation by working a prescribed amount of time as employees in a "covered" establishment. Many workers who experience unemployment--like the self-employed, domestic help, agricultural workers, itinerant workers, and persons who work for government agencies other than federal--never establish rights to unemployment compensation. Consequently, they don't get counted among the unemployed by the state agencies.

Despite the large number of workers who ordinarily can't qualify for unemployment insurance, 63 per cent of the total labor force--including proprietors, agricultural workers, and government employees--are insured. Of the group most subject to unemployment, namely, wage workers, 75 per cent are insured and do establish eligibility for unemployment benefits. The largest group of wage workers excluded from coverage is the agricultural wage workers, many of whom are itinerants.

Because of the large proportion of wage workers covered by unemployment insurance, it may seem that a count of workers claiming unemployment benefits would give a pretty good indication of the total number of people unemployed. There is one other difficulty, however: a limitation is placed on the number of weeks during which a worker may claim unemployment benefits. In New Mexico, this limitation is 20 weeks. Consequently, if a person is unemployed here longer than 20 weeks, he ceases to be counted among the unemployed. However, this particular shortcoming of the unemployment statistics is really significant only during periods of serious unemployment. Of course, these are the periods during which we are most interested in obtaining accurate data.

Despite the limitations of this partial enumeration of the unemployed, the Bureau decided to use the data as a measure of unemployment for two reasons: first, they are made available each week by the Employment Security Commission of New Mexico; second, no other source of information is nearly as good as this particular one.

The figures on unemployment published herein and to be published in the future are, therefore, based upon the regular count of persons applying for and receiving unemployment compensation in New Mexico. While it should be emphasized, as stated above, that the figures do not represent a complete count, it is the Bureau's judgment, on the basis of its study of the data, that the figures are the best available source for measuring the level of and changes in unemployment in this state.

DESCRIPTION OF THE SERIES

Three series on unemployment will be published each month in the regular statistical table "Business Activity in New Mexico." One--"Number of Insured Unemployed"--will show the average number of unemployed workers drawing unemployment compensation during the month. A second--"Rate of Unemployment"--expresses this average number of unemployed as a percentage of the insured labor force, which consists of

the total of the covered employed and those drawing unemployment compensation (seeking work). A third series--"Index of Unemployment"--expresses the current level of unemployment as a percentage of the level of unemployment during the three years 1947-1949 (the base period). This third figure, which appears in the far right-hand column of the table, has been adjusted to compensate for the growing size of the labor force.

UNEMPLOYMENT IN NEW MEXICO SINCE 1947

A picture of the course of unemployment in New Mexico since 1947 is shown in Chart 1. This chart demonstrates the fact that unemployment is not a static element in our economy but is subject to wide fluctuations. Several features of these fluctuations are worth mentioning because they are what makes the figures useful in economic analysis. In the first place, we note the marked increase in unemployment over the period with 1957's average unemployment more than double 1947's. In the second place, we note the strong seasonal pattern in which unemployment rises to a peak each year in February or March. The consistency with which this occurs each year leads us to conclude that such behavior is typical of particular periods of the year. In the third place, we note the longer-term undulations of about four years duration from extreme highs to extreme lows. These latter fluctuations make a definite cyclical pattern, which, as we shall see below, corresponds to the cyclical fluctuations in business activity.

At first glance, the long-run increase in unemployment seems to indicate that unemployment has become an increasingly serious problem throughout the postwar period. Before coming to this conclusion, however, we must acknowledge that the increase in unemployment is largely the result of the growth in the labor force and that the seriousness of unemployment must be related to the size of the labor force. If we express unemployment as a percentage of the labor force (which expression we call "rate of unemployment"), we get quite a different picture, as shown in Chart 2.

The contrast between Charts 1 and 2--and between the volume of unemployment and the rate of unemployment--is best seen by comparing the level of the peaks in 1950, 1954, and 1958. In Chart 1, which shows the volume of unemployment, the 1958 peak is considerably above the 1950 and 1953 peaks because the number of unemployed workers was considerably higher in 1958. In Chart 2, however, which shows the rate of unemployment, the 1958 peak is considerably under those of 1950 and 1953 because, even though the number was larger, the proportion of the labor force unemployed in 1958 was smaller than in 1950 or 1953.

By expressing unemployment as a rate we get a much more objective picture of the seriousness of unemployment. And, without undervaluing the impact of 1958 unemployment upon the unemployed or upon the communities in which it has occurred, we should point out that at least through

Chart 1

CHANGES IN NUMBER OF INSURED UNEMPLOYED

New Mexico, 1947-58

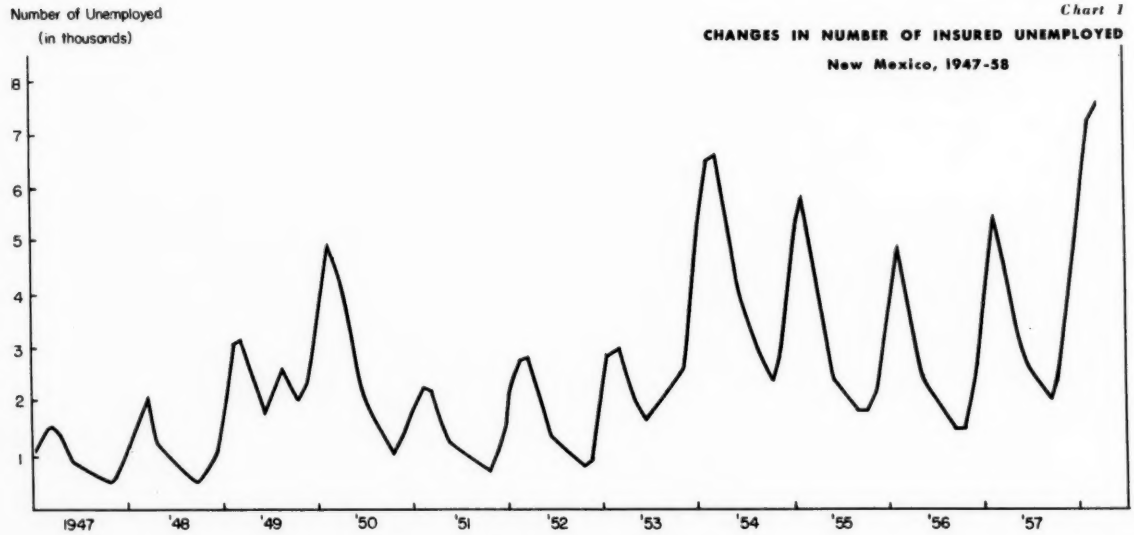
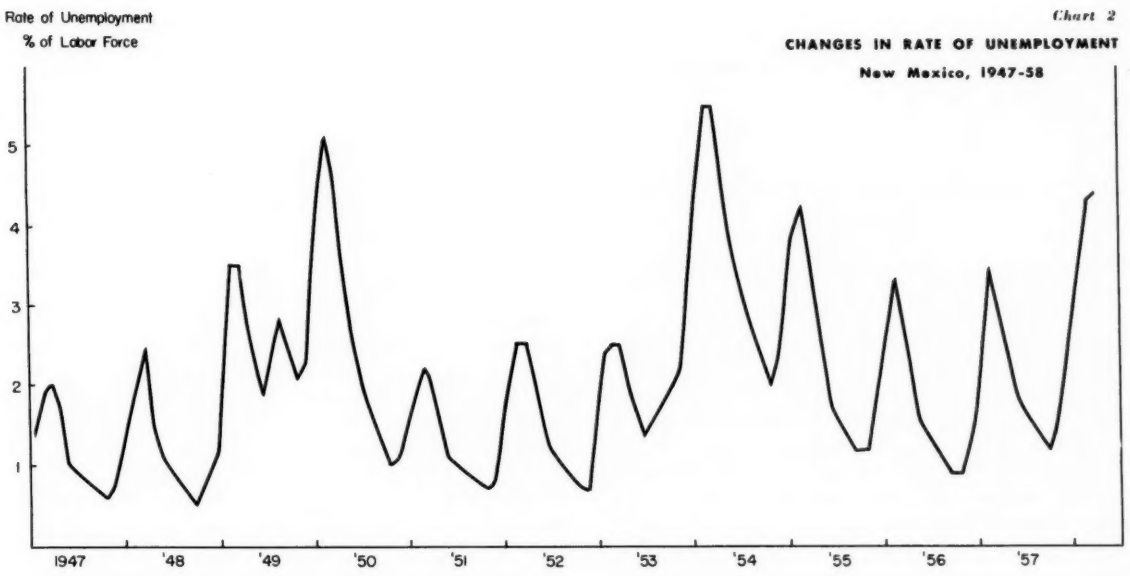


Chart 2

CHANGES IN RATE OF UNEMPLOYMENT

New Mexico, 1947-58



March of 1958 unemployment in New Mexico has not been so serious as it was in 1950 or 1953, despite all the outcry.

The picture presented in Chart 2 gives a more reliable representation of the seriousness of unemployment and does so without destroying the fluctuations caused by recurring seasonal factors. But it doesn't enable us to distinguish those fluctuations which are typically seasonal (the results of regularly recurring changes in the weather and markets and so forth) from those which result from nonrecurring factors which make for other changes in business activity. In order that we may know when other factors are producing such changes, we need to know the timing and size of fluctuations which are typical of each month of the year.

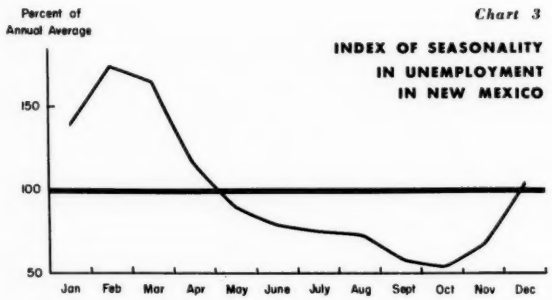
In other words, we need an index of seasonality for unemployment, which measures when and how much unemployment fluctuates around a norm for the year. A simple method of constructing such an index was described in the September 1948 issue of New Mexico Business. Applying similar techniques to the unemployment statistics, the Bureau arrived at an index of seasonality in unemployment, which is pictured in Chart 3. It shows that unemployment rises to a peak of 72 per cent above normal in February, falls steadily to a low of 54 per cent of, or 46 per cent below, normal in October, and climbs rapidly in November and December and back to its peak the following February. The table below gives the index numbers (the percentages of normal) which may be expected in unemployment each year. It also shows in the second column the percentages by which unemployment may typically be expected to increase or decrease from the preceding month.

	Seasonal Index of Unemployment	Percentage Change from Preceding Month
January	138.0	+33.8
February	172.4	+24.9
March	165.1	- 4.2
April	124.6	-24.5
May	89.1	-28.5
June	77.7	-12.8
July	75.3	- 3.1
August	74.6	- 0.9
September	58.7	-21.3
October	54.2	- 7.7
November	67.2	+24.0
December	103.1	+53.4

Chart 3 shows the index of seasonality of unemployment. The heavy solid line in Chart 4 shows the index of unemployment after these typical seasonal changes have been removed from it; that is, only the departures from the usual seasonal pattern are shown in Chart 4. In effect, the remaining fluctuations as shown by the chart

Chart 3

INDEX OF SEASONALITY IN UNEMPLOYMENT IN NEW MEXICO



are those resulting from cyclical changes in business conditions. One of our principal interests in unemployment data is their usefulness in measuring the occurrence of these recurrent booms and recessions. The fluctuation in the volume of employment is one of the chief features of business cycles and the one which affects the largest number of people.

The extent to which fluctuations in unemployment correspond to those in business activity is shown in Chart 4, in which we have superimposed on a graph of business activity a graph of unemployment. In order to make easier the comparisons of the two series, the index of business activity has been adjusted for trend; i.e., the trend line is depicted as level rather than--which actually is the case--as rising at approximately 14.5 index points per year. Moreover, both indexes have been adjusted for seasonal variation, so that only the cyclical variations are shown.

As might be expected, cyclical rises in unemployment have occurred at approximately the same time as the declines in business activity, although percentage changes in unemployment are much more violent than those in business activity. This fact is indicated by the difference between the left-hand scale (against which business activity is plotted), which covers only 40 index points, and the right-hand scale (against which unemployment is plotted), which covers 200 index points.

Business analysts are always interested in the relationships in the timing of various statistical measures of business cycles, because they hope to discover a series which has prognostic value, one whose peaks and troughs might anticipate the turns in general business activity. The relative timing of the fluctuations in the two series plotted in Chart 4 suggests intriguing possibilities and raises some provocative questions concerning the present outlook for business.

Although the entire period covered by Chart 4 has been one of rapid growth, which might be described as a long-term boom that has raised the index of business activity more than 150 per cent above its 1947-49 level, the extended period growth has been interrupted by two small recessions, which are discernible only as dips below the long-term trend line (the 100 per cent line in the chart). Thus, it appears that New Mexico business has gone through three booms and two recessions since 1947. These booms and depressions can be clearly identified by the fluctuations in the index of unemployment.

Chart 4

COMPARISON OF CHANGES IN UNEMPLOYMENT & IN BUSINESS ACTIVITY

New Mexico, 1947-58

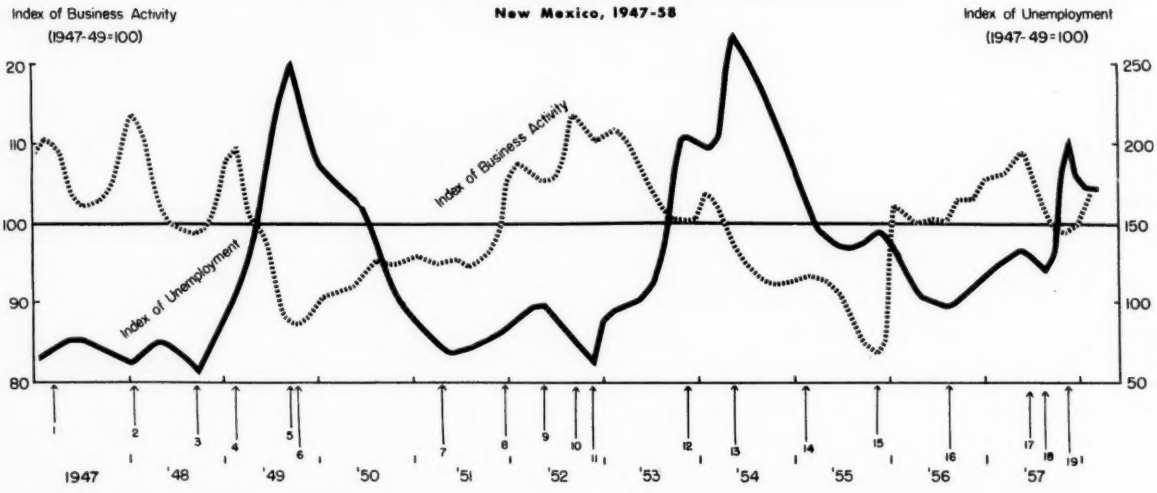
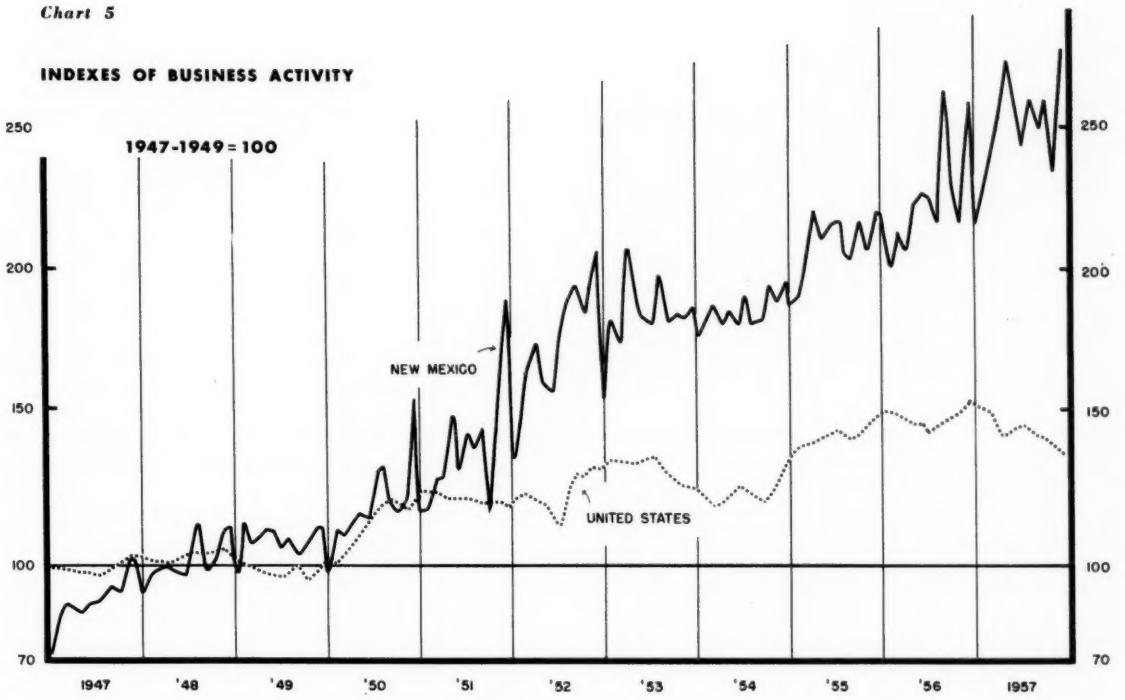


Chart 5



The period opens during a boom which, except for small dips in mid-1947 and late 1948, lasted until April 1949. From that time until December 1951, the index of business activity stayed consistently below the general trend line. This period of relative recession was followed by another boom in 1952 and most of 1953, during which the index remained rather consistently above the trend line. In April 1954 it again fell below the trend line and stayed there until it made an abrupt recovery in January 1956. From that point it climbed to a peak in May of 1957, after which apparently there was a sharp recession and--on the basis of present indications--an equally sharp recovery.

The correspondence between the fluctuations in the index of business activity and the inverse fluctuations in the index of unemployment is remarkably good. Although for some short periods the two indexes move in the same direction, such behavior may be laid to accidental factors. Generally speaking, the two indexes behave much as we would expect them to.

Although the periods during which business has been relatively booming or relatively depressed are fairly clearly defined by the two indexes, the thing in which we are most interested is the identification of the turning points in the business cycle through observation of the relationship of the turning points in these two series. In order to assist the reader's observation of such relationship, we have placed at the bottom of Chart 4 arrows indicating the possible turning points.

Cyclical turning points in the two series are not always easily identified. Although the long-term fluctuations are quite apparent, within them there occur many small fluctuations or little boomlets and little recessions. Their occurrence makes it difficult to identify the point at which the longer-term business cycle actually turns down or up. Prior to the 1949 recession, for example, business activity experienced three different peaks. One occurred in February of 1947 (see Arrow 1), another in January of 1948 (see Arrow 2), and another in February of 1949 (see Arrow 3). The question is, which of these peaks marked the beginning of the drop to the 1949 trough?

Immediately following the sharp drop in business in January 1948 there was an equally sharp rise in unemployment. While that rise continued for only four months, the drop in business activity extended over a period of eight months. Following September 1948, both business activity and unemployment began an abrupt rise

(Arrow 3); but business activity reached its peak in February of 1949 (Arrow 4), after unemployment had been rising rapidly for five months.

If we assume that the peak in business activity occurred in January 1948 (Arrow 3), then there was perfect correspondence between the drop in business activity and the rise in unemployment; and the subsequent drop in unemployment (Arrow 3) and rise in business activity (Arrow 4) may be regarded as temporary variations in the cycle. But, if we conclude that the peak in business activity was reached in February 1949 (Arrow 4), then it appears that the rise in unemployment preceded the drop in business activity by five months.

The identification of the turning point in the 1949 recession seems fairly easy (Arrows 5 and 6). Unemployment decreased rapidly after September 1949, and business turned upward fairly sharply a month later. In this connection, it should be noted that, although unemployment continued to decrease rapidly until early in 1951 (Arrow 7), the index of business activity did not recover its 100 per cent level until December of 1951 (Arrow 8). In April 1951, despite the fact that the business recovery was still in progress, unemployment had begun a slow rise (Arrow 7), which was not halted until May of 1952 (Arrow 9). The definite surge in business activity following May (Arrows 9 and 10) resulted in a pronounced drop in unemployment.

The peak of the 1952-53 boom was apparently reached in September of 1952. Within two months unemployment started to climb rapidly (Arrow 11) and continued to do so, except for one small break after November 1953, until May 1954 (Arrow 13). The slight drop in unemployment which briefly preceded a similar recovery in business activity after November 1953 (Arrow 12) affords visual evidence of the mutual sensitivity of the two series, as does the rise of unemployment following the steeper plunge of business activity following February 1955 (Arrow 14).

In terms of unemployment, May 1954 (Arrow 13) apparently marked the depth of the 1954 recession. However, business activity did not reach its trough until November of 1955 (Arrow 15). During the entire period from May 1954 until November 1955, both business and unemployment were declining. Thus, as happened at several other points, the downturn in unemployment preceded an upturn in business activity.

Following November 1955, the index of business activity rose, with minor interruptions, to a new peak reached in May 1957 (Arrow 17); but at no time did it climb as far above the trend line as during the preceding booms. Neither did unemployment fall so low. Nor was the duration of the boom so long--19 months compared with 23 months in 1952-53 and somewhat more than 27 months in 1947-48. Moreover, from August 1956 (Arrow 16) until the apparent peak of the boom, unemployment rose steadily; then, quite illogically, it declined as business activity declined, reversing itself abruptly (Arrow 18) only three months before business hit bottom in November 1957 (Arrow 18).

The severe dive taken by business activity in May 1957 (Arrow 17) followed by the severe rise in unemployment in August of 1957 (Arrow 18) affords evidence that the most recent boom ended in the last months of 1957. But the impressive upturn in business activity and a corresponding drop in unemployment following last November

I. RATE OF INSURED UNEMPLOYMENT IN NEW MEXICO*
1947-1957

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
1947	1.4	1.9	2.0	1.7	1.0	1.1	0.8	0.9	0.7	0.6	0.7	1.2	1.1
1948	1.4	2.0	2.4	1.4	1.1	1.0	0.8	0.9	0.5	0.7	1.0	1.2	1.2
1949	2.2	3.5	3.5	2.8	2.2	1.9	2.4	2.8	2.4	2.1	2.2	3.3	2.6
1950	4.4	5.1	4.6	3.4	2.7	2.1	1.9	1.5	1.1	1.0	1.1	1.6	2.5
1951	1.8	2.2	2.1	1.5	1.1	1.0	1.0	0.9	0.8	0.7	0.8	1.4	1.3
1952	2.2	2.5	2.5	2.1	1.5	1.1	1.1	0.9	0.8	0.7	0.7	1.5	1.4
1953	2.4	2.5	2.5	2.0	1.6	1.4	1.5	1.8	1.7	1.9	2.2	3.4	2.1
1954	4.7	5.5	5.5	4.9	4.0	3.4	3.2	2.8	2.3	2.0	2.3	3.1	3.6
1955	3.9	4.2	3.6	2.9	2.0	1.6	1.8	1.5	1.2	1.2	1.5	2.3	2.3
1956	2.7	3.3	2.8	2.1	1.5	1.3	1.2	1.1	0.9	0.9	1.3	1.6	1.7
1957[p]	2.7	3.4	2.9	2.4	1.9	1.6	1.6	1.4	1.2	1.4	2.1	2.7	2.0

* Number of insured unemployed as percentage of insured labor force
p Preliminary
Source: Bureau of Business Research, University of New Mexico, based on reports of N. M. Employment Security Commission and U. S. Dept. of Labor

(Arrow 19) raise additional questions. Was September 1957 really the end of a boom followed by a recession of only six months from which business will go on to another boom, or was this decline part of a minor deviation such as occurred in May 1953 (Arrow 9) or November 1953 (Arrow 12)? If the latter is true, does the most recent drop foreshadow a more serious decline such as that which followed the short recovery in business activity in September 1952 (Arrow 10) or February 1954? Or was the decline in 1957 merely an interruption of the boom such as that which occurred in May 1952 (Arrow 9)?

The inconclusive nature of the most recent performances of these two series emphasizes the limitations of this sort of analysis for purposes of forecasting. Until we have accumulated the additional evidence of the behavior of these and other series for several more months, we will not know whether the most recent drop in business activity is a prelude to a rise to new heights or the forerunner of a recession of considerable duration.

Identifying turning points in activity on a graph such as Chart 4 may be relatively easy. Appraising their significance in the business cycle as they occur is a different matter, calling for the evaluation of many related factors and the exercise of judgment--and perhaps a good deal of clairvoyance.

While the Bureau is not inclined toward making forecasts, our judgment, based on both the past performance of the two series and the persistence of the recession in other parts of the nation, is that business in New Mexico may be in for some further decline from the postwar trend. However, in view of our knowledge of New Mexico's latent resources and the many activities currently associated with their development, we are convinced that the trend of business will be strongly upward for many years to come. We should not be surprised to have the trend rise more impressively in the near future than it has in the past. As it has throughout the period since 1947, this vigorous upward trend will probably tend to conceal the recession phases of the cycle. No recessions, such as appear in Chart 4, are apparent in Chart 5, which shows the course of the index of business activity unadjusted for trend or seasonal fluctuations.

Business activity is seldom, if ever, static or moving on a truly even keel, as the charts accompanying this article show. Even though an energetic upward trend in New Mexico business appears to be assured for years to come, experience teaches us that there will undoubtedly be many deviations reflecting short periods during which business will move rapidly ahead or lag behind that trend.

Although the ascendant trend of business will tend to hide the recessions in New Mexico, the best management of our affairs can be realized only after we shall have developed techniques for better appraising the significance for the future of changes in business activity as they occur. The search for such techniques gives reason to studies like this one and to the publication of various measures of business activity for the use of the business community.

THE END

II. INDEXES OF INSURED UNEMPLOYMENT IN NEW MEXICO*
1947-1957
(1947-1949 = 100)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
1947	84.3	112.7	119.8	99.7	59.6	63.8	49.9	52.8	42.7	33.3	43.4	73.3	67.8
1948	81.4	122.1	142.7	84.6	67.9	62.5	49.4	55.9	32.6	41.7	61.8	71.7	71.1
1949	130.1	211.5	208.8	169.7	133.6	113.0	141.9	165.3	145.2	123.3	129.1	198.3	156.2
1950	263.3	306.6	275.2	203.9	163.9	128.7	112.1	92.4	65.5	57.8	65.9	94.9	148.2
1951	110.5	130.1	124.3	92.1	66.8	58.3	58.9	53.6	48.9	39.2	50.9	81.6	75.6
1952	132.8	150.8	151.4	126.1	92.0	65.7	64.4	56.0	45.5	40.0	42.8	90.3	86.4
1953	143.8	150.4	150.9	122.5	94.4	82.3	88.1	107.7	100.8	116.0	134.6	205.9	125.1
1954	280.6	331.3	333.1	296.2	237.4	201.5	190.4	169.8	135.0	119.3	136.8	187.7	217.4
1955	252.3	270.8	232.5	185.2	128.8	101.3	113.2	96.9	77.6	78.4	97.3	147.5	146.0
1956	176.3	213.2	180.9	132.8	98.0	85.5	74.8	71.8	60.1	59.5	81.9	106.0	109.8
1957p	170.8	217.6	185.5	156.4	123.0	100.8	100.1	88.1	75.7	92.0	133.3	171.0	131.4

* Adjusted to compensate for changes in the size of the insured labor force
p Preliminary
Source: Bureau of Business Research, University of New Mexico, based on reports of N. M. Employment Security Commission and U. S. Dept. of Labor

Business Activity in New Mexico

	February 1958	Year Earlier February 1957	Per Cent Change February 1958 from Jan. 1958	Per Cent Change February 1958 from Feb. 1957	INDEX February 1958 (Average Month 1947-49 = 100)
Index of Business Activity	251.2	220.0	+ 1.5	+ 14.2	251.2[c]
*Sales of Retail Stores (1,000's)	$102,257	$ 89,391	+ 0.8	+ 14.4	207.9[c]
Apparel Stores	2,321	2,739	- 22.0	- 15.3	117.2
Automotive Dealers	27,078	23,155	+ 6.0	+ 16.9	202.6
Subsistence Stores	20,618	21,929	- 10.3	- 6.0	178.8
Furniture and Appliance Stores	3,515	4,969	- 6.2	- 29.3	138.2
Building Materials Dealers	7,776	7,811	- 7.4	- 0.4	159.6
Other Retail Stores	40,949	28,788	+ 8.3	+ 42.2	279.8[c]
*Sales of Amusement Establishments (1,000's)	$ 1,125	$ 1,263	- 0.2	- 10.9	126.2
*Sales of Service Establishments (1,000's)	12,998	10,377	+ 8.9	+ 25.3	336.2
*Sales of Contractors (1,000's)	29,756	24,178	- 1.9	+ 23.1	435.4
*Sales of Wholesalers (1,000's)	29,433	25,377	- 7.2	+ 16.0	145.7
*Public Utilities' and Carriers' Sales (1,000's)	15,430	7,950	+ 0.3	+ 94.1	329.8
*Manufacturers' and Processors' Sales (1,000's)	18,612	22,975	+ 5.7	- 19.0	248.2
*Life Insurance Sales (1,000's)	19,720	15,830	+ 12.2	+ 24.6	562.3
*Bank Debits, 36 banks (1,000's)	$374,827	$332,106	- 13.4	+ 12.9	230.5[a]
Bank Loans and Discounts, 36 banks (1,000's)	37,461	29,443	- 12.4	+ 27.2	218.5[a]
Demand Deposits, 36 banks (1,000's)	301,513	292,571	- 1.9	+ 3.0	159.3[a]
Time Deposits, 36 banks (1,000's)	99,505	90,967	+ 1.3	+ 9.4	277.6[a]
Business Failure Liabilities, (1,000's)[b]	35	223	+252.5	- 84.2	123.1
Wage Workers in Nonagricultural Establishments	210,100	198,800	- 0.5	+ 5.7	159.5
in Manufacturing	21,500	19,900	+ 0.9	+ 8.0	216.8
in Mining	15,900	16,800	- 3.0	- 5.4	138.0
in Transportation and Utilities	19,700	19,400	- 1.0	+ 1.5	131.3
in Trade	46,200	43,300	- 0.9	+ 6.7	155.5
in Finance, Insurance and Real Estate	8,000	6,900	+ 1.3	+ 15.9	272.6
in Services and Miscellaneous	26,200	24,300	0.0	+ 7.8	122.1
in Government	55,100	52,400	+ 0.7	+ 5.2	193.1
in Contract Construction	17,500	15,800	- 3.8	+ 10.8	138.5
Number of Insured Unemployed	7,323	5,502	+ 22.5	+ 33.1	--
Rate of Unemployment (per cent of labor force)	4.25	3.38	+ 22.1	+ 25.7	273.8
*Building Permits, total 15 cities (1,000's)	$ 6,488	$ 3,759	+ 3.5	+ 72.6	270.3[a]
Residential	5,304	2,574	+ 63.5	+106.1	357.6[a]
Nonresidential	681	734	- 71.8	- 7.3	104.4[a]
Other	503	451	- 16.9	+ 11.5	190.0[a]
*Petroleum Production (1,000's of bbls)	7,324	7,415	- 8.5	- 1.2	193.1
Natural Gas Production (millions of cu ft)	64,682	55,906	- 9.9	+ 15.7	402.1
*Electric Power Production (1,000's of kwh's)	201,897	178,099	- 10.5	+ 13.4	228.8
*Index of Total Metallics Production (1947-49 = 100)	73.6	102.0	+ 13.0	- 27.9	73.6
Mine Production - Copper (1,000's of lbs)	10,000	10,696	+ 17.2	- 6.5	94.6
Mine Production - Lead (1,000's of lbs)	540	1,144	+ 75.3	- 52.8	52.0
Mine Production - Zinc (1,000's of lbs)	2,800	6,612	- 5.9	- 57.7	43.8
*Mine Production - Potash (1,000's of tons)	978	974	- 11.0	+ 0.5	244.3
Index of All Farm Prices (1947-49 = 100)	101.0	87.6	+ 2.7	+ 15.3	101.0
Index of Livestock Prices	110.7	86.2	+ 3.5	+ 28.4	110.7
Index of Crop Prices	83.3	97.6	0.0	- 14.7	83.3
Receipts from All Farm Marketings (1,000's)	$ 10,039	$ 9,966	- 44.7	+ 0.7	65.1
Livestock and Products	7,992	6,740	- 5.3	+ 18.6	86.5
Crops	2,047	3,226	- 78.9	- 36.5	33.1

	March 1958	Year Earlier March 1957	Per Cent Change March 1958 from Feb. 1958	Per Cent Change March 1958 from Mar. 1957	INDEX March 1958 (Average Month 1947-49 = 100)
Bank Debits, 36 banks (1,000's)	$409,159	$367,009	+ 9.2	+ 11.5	251.7[a]
Bank Loans and Discounts, 36 banks (1,000's)	40,185	35,342	+ 7.3	+ 13.7	234.5[a]
Demand Deposits, 36 banks (1,000's)	303,746	298,302	+ 0.7	+ 1.8	160.4[a]
Time Deposits, 36 banks (1,000's)	101,061	93,042	+ 1.6	+ 8.6	282.0[a]
Wage Workers in Nonagricultural Establishments	209,800	201,300	- 0.1	+ 4.2	159.3
Number of Insured Unemployed	7,604	4,729	+ 3.8	+ 60.8	--
Rate of Unemployment (per cent of labor force)	4.12	2.88	- 3.1	+ 43.1	265.2
Building Permits, total 15 cities (1,000's)	$ 10,785	$ 6,349	+ 66.2	+ 69.9	449.4[a]
Residential	4,563	3,234	- 14.0	+ 41.1	307.6[a]
Nonresidential	5,550	2,414	+715.6	+129.9	851.2[a]
Other	672	701	+ 33.6	- 4.1	253.7[a]
Index of All Farm Prices (1947-49 = 100)	105.5	90.7	+ 4.5	+ 16.3	105.5
Index of Livestock Prices	115.1	90.9	+ 4.0	+ 26.6	115.1
Index of Crop Prices	88.9	96.8	+ 6.7	- 8.2	88.9

[c] Indexes for these items are used to compute the Index of Business Activity.
[a] Although the number of reporting units changes, the indexes for these items are comparable with indexes for preceding months.
[b] The figures in this series are based on the average of three months' data.
[c] Preliminary

Sources:
Retail Sales data: N. M. Bureau of Revenue
Potash Production: N. M. Bureau of Revenue
Petroleum and Natural Gas Production: N. M. Oil Conservation Commission
Life Insurance Sales (New Ordinary): Life Insurance Agency Management Association
Wage Workers and Unemployment: N. M. Employment Security Commission and U. S. Dept. of Labor
Electric Power Production: Federal Power Commission
Metallics Production: U. S. Bureau of Mines
Farm Prices and Marketings: U. S. Agricultural Marketing Service
Bank data (all series), Building Permits: Bureau of Business Research
Business Failure Liabilities: Dun & Bradstreet, Inc.

Monthly Summary (Continued from Page 1)

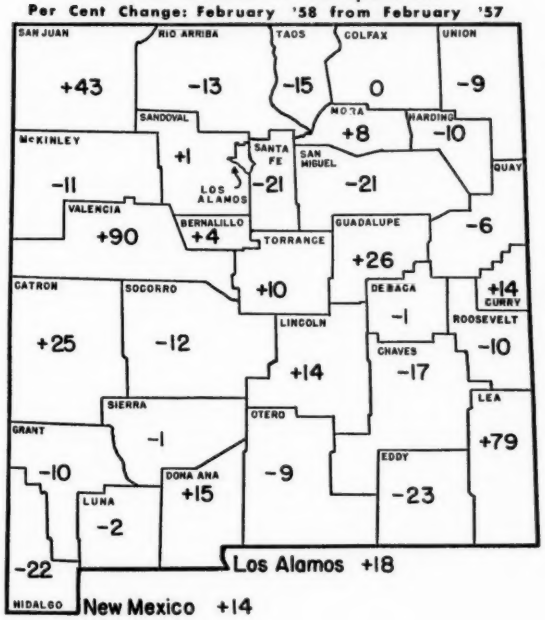
Booming construction activity served to boost the over-all index to record heights. Continued high levels for construction are forecast by the substantial increase in building permits in both February and March.

The drop in manufacturers' sales reported to the School Tax Division, a fairly continuous drop during the last year, seems entirely inconsistent with the continuing increase in manufacturing employment and suggests that a number of processors, relieved from paying school tax, are failing to report sales as they are supposed to. The evidence afforded by rising employment in manufacturing suggests that manufacturing sales in February 1958 were considerably above those in February 1957.

A continuing healthy state of business is reflected in the substantial gain in retail sales, although the gain was accounted for entirely by increases in sales of automotive dealers and the other retail group. The sharp drop in the sales of amusement establishments, attributed by some trade sources to the inroads of television, was more than offset by a substantial gain in sales of service establishments.

RETAIL SALES: A Comparison

Per Cent Change: February '58 from February '57



Sales Activity in New Mexico Counties

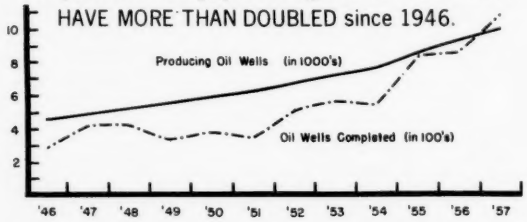
February 1958

(add 1,000's)	Retail Stores							Others		
County	Apparel	Automotive	Subsistence	Furniture & Appliances	Building Material	Other	Total	Amusement Places	Service Firms	Manufacturers & Processors
Bernalillo	$1,015	$ 6,570	$ 5,639	$1,278	$3,054	$ 6,989	$ 24,545	$ 240	$ 3,999	$ 1,906
Catron	0	55	23	0	5	37	120	2	1	0
Chaves	156	1,687	1,227	136	563	1,169	4,938	109	733	2,152
Colfax	17	462	321	15	92	281	1,188	19	86	55
Curry	91	794	654	178	279	911	2,907	60	358	80
De Baca	0	60	60	3	15	210	348	(a)	24	(a)
Dona Ana	85	1,327	1,072	193	325	715	3,717	79	470	919
Eddy	171	1,630	1,261	185	355	1,234	4,836	64	691	5,996
Grant	22	378	435	43	115	495	1,488	17	164	10
Guadalupe	2	216	125	1	28	287	659	(a)	12	(a)
Harding	0	42	6	0	1	63	112	1	2	32
Hidalgo	2	212	165	1	43	72	495	0	27	2
Lea	159	2,000	1,398	249	593	10,297	14,696	120	948	2,745
Lincoln	2	180	144	1	63	164	554	8	35	2
Los Alamos	22	178	137	6	2	197	542	32	122	51
Luna	25	416	237	30	41	322	1,071	8	103	6
McKinley	51	927	529	76	111	893	2,587	45	298	1,578
Mora	1	62	15	0	0	59	137	2	3	19
Otero	55	848	795	150	222	426	2,496	30	266	119
Quay	24	457	247	22	66	224	1,040	13	98	15
Rio Arriba	20	251	148	16	49	267	751	1	49	40
Roosevelt	21	404	308	98	95	195	1,121	15	193	5
Sandoval	(a)	139	134	0	3	137	413	0	12	1
San Juan	87	3,584	1,637	202	684	2,423	8,617	70	623	929
San Miguel	20	306	337	41	36	300	1,040	21	89	4
Santa Fe	169	1,096	982	149	152	913	3,461	67	619	78
Sierra	2	133	223	7	12	130	507	8	73	23
Socorro	7	206	191	12	42	118	576	1	51	41
Taos	8	177	190	35	10	104	524	10	54	11
Torrance	0	222	67	0	19	125	433	2	11	(a)
Union	7	126	115	5	34	126	413	8	62	5
Valencia	61	1,225	751	78	199	764	3,078	29	160	67
Unallocated	19	708	1,045	305	468	10,302(b)	12,847(b)	44	2,562	1,721
Total	$2,321	$27,078	$20,618	$3,515	$7,776	$40,949(b)	$102,257(b)	$1,125	$12,998	$18,612

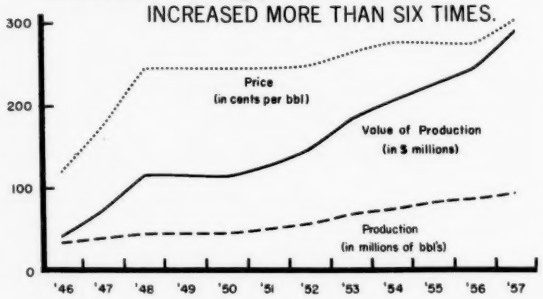
(a) Less than $1,000
(b) Preliminary
Source: School Tax Division, N. M. Bureau of Revenue

CHART-OF-THE-MONTH

With an almost steady increase in oil wells completed annually, producing wells in New Mexico HAVE MORE THAN DOUBLED since 1946.



Oil production has also more than doubled; and because of rising prices its VALUE HAS INCREASED MORE THAN SIX TIMES.



Volume II, Number 4

New Mexico Business Is Published Monthly By The Bureau of Business Research College of Business Administration
University of New Mexico, Albuquerque

Subscription Price Two Dollars Per Year

Entered as second-class matter January 31, 1949, at the post office at Albuquerque, New Mexico, under the act of August 24, 1912.

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